

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. WRU-04-18-156
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ORDER GRANTING WAIVER

(Issued June 23, 2004)

On April 23, 2004, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a request for waiver of 199 IAC 20.11, which provides that each electric utility is to inform its customers of the significance of reduction in the consumption of electricity during hours of peak demand. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response to the waiver request on May 6, 2004.

In support of its request, MidAmerican said that it is making significant additions to its generation and transmission systems in Iowa. Because of the August 2003 blackout in the eastern United States and Ontario, MidAmerican believes it is important to reassure customers that MidAmerican has sufficient generation and transmission resources and that the peak alert notice could result in unnecessary confusion and concern. Particularly because MidAmerican has a revenue freeze in place through 2010, it is concerned that the peak alert notice would convey conflicting messages to customers. The peak alert notice indicates that conservation

may delay the need for construction of facilities, when in fact MidAmerican is building significant generation now. The notice also indicates that conservation may delay future rate increases, when in fact MidAmerican has a revenue freeze in place until 2010. MidAmerican also notes that because the peak alert has been given for many years, a break from the notice for a time may add a new freshness to future peak alert notices.

Consumer Advocate opposed the waiver. Consumer Advocate said that while it did not object to additional language to minimize any potential customer confusion, MidAmerican should continue to inform customers of the importance of conserving resources during periods of peak demand.

The Board agrees that language in the peak alert notice regarding delaying the need to build generating facilities or buy additional power could be confusing to customers in light of the publicity surrounding MidAmerican's recent generation investments, which include coal, gas, and wind facilities. Any additional language added would likely increase confusion and send a mixed message to customers. The Board will grant the waiver for the 2004 notice, but will encourage MidAmerican to continue to educate customers about the benefits of energy efficiency programs that conserve energy throughout the year, not just at times of peak usage. The standards for a waiver contained in 199 IAC 1.3 have been satisfied. In the event MidAmerican wants to continue the waiver for 2005, another waiver request will have to be made.

IT IS THEREFORE ORDERED:

MidAmerican Energy Company is granted a waiver of 199 IAC 20.11 for the year 2004.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 23rd day of June, 2004.